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# Understanding "Understanding": Industrial Relations Research and Policy in Canada from 1969 to 1984...and Beyond

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[Aller au sommaire du numéro](#)

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Résumé de l'article

This paper is the H.D. Woods Memorial Lecture presented at the 1984 Annual Meeting of the Canadian Industrial Relations Association, Guelph, Ontario.

# ***Understanding «Understanding»***

## **Industrial Relations Research and Policy in Canada from 1969 to 1984 ... and Beyond**

**H.W. Arthurs**

*This paper is the H.D. Woods Memorial Lecture presented at the 1984 Annual Meeting of the Canadian Industrial Relations Association, Guelph, Ontario.*

*Canadian Industrial Relations*, the report of the Woods Task Force on Labour Relations, appeared in 1969<sup>1</sup>. At the time, and for some years thereafter, many of us who were in some way associated with the Task Force nurtured two hopes. First, we believed that the Report itself would usher in a new era in labour-management relations, and second, we believed that it signalled the coming of age of industrial relations as a scholarly discipline or, rather, as the quintessential interdiscipline, each part of which could only be understood in relation to the others. Woods himself shared these hopes. As he said in the letter which transmitted the Report to the Prime Minister.

... we would hope that this Report and the studies ... will generate a greater understanding of the problems and issues in the field of industrial relations in Canada; and that they will stimulate further research in this important area.

Now, fifteen years later, as the Macdonald Commission finds itself in the midst of a similar — albeit more extensive — enterprise, some reconsideration of both themes may be timely. How far have we managed to progress towards the benign regime of understanding sought by Woods and his colleagues, and towards the new age of intellectual enquiry he, and they — and we — would have wished for?

I cannot personally place on the record either eye-witness testimony or scientific evidence to support my conclusions; my own involvement in the field as a practitioner and as a scholar has been only intermittent over the past ten or fifteen years. But I do have my suspicions and perhaps if I voice them, they will at least stimulate those who are closer to the facts to rise and bear witness.

First, to the extent that the behaviour of labour and management, the public and government reflect the present state of «understanding», one could hardly be positive about the record of Canada's collective bargaining system since 1969. At various times during this period, we have seen ex-

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<sup>1</sup> *Canadian Industrial Relations, The Report of Task Force on Labour Relations*, Ottawa, Privy Council Office, December 1968, 250 p.

treme manifestations of militancy and intransigence by both sides rather than the growth of maturity; increased state intervention rather than enhanced self-government in industry; waning public tolerance for the costs of industrial conflict rather than greater willingness to accept such costs as the price of free collective bargaining; compounding complexity and legalism rather than common-sense attempts to resolve problems pragmatically. In short, the very premises of the «understanding» contemplated by the Task Force have been put in question.

To turn to Woods' hope that research would be stimulated, here again rather the contrary seems to have occurred. At least in my own field of labour relations law, but perhaps in other areas of industrial relations research, development seems to have been at best modest. The perplexing problems of labour-management relations have not, apparently, engaged the attention of our most innovative scholars, nor does a sturdy yeomanry of researchers seem to have consistently produced a bountiful harvest of books and articles. This assessment of research is, however, both tentative and preliminary — «tentative» because it is subject to revision by a proper assessment of the state of the art which is just now getting under way, «preliminary» because I will elaborate upon what I have said later in my remarks.

But, in general and subject to these lawyer-like attempts to hedge my bets, my impression is that neither in terms of enhanced understanding nor in terms of intensified research activity have the hopes of the Task Force, and of the Task Force generation of scholars, been realized. The question I want to pursue is «why»? What I want to do is to understand «understanding», using that term to encompass both its meanings — «understanding» in the sense of tolerance and the appreciation of mutual interdependence which is of the essence of a system of collective bargaining, and «understanding» in the sense of an informed and critical attitude which is of the essence of research.

Let me begin with «understanding» in the industrial relations sense. The promotion of «understanding» is obviously a matter about which the Macdonald Commission has been, and will be, concerned. Its mandate encompasses a number of industrial relations themes, its ambitious research programme includes many labour-related studies, and its recommendations cannot fail to include proposals designed to improve the state of «understanding» in the world of work. How, indeed, could any grand design to enhance Canada's social and economic well-being fail to do so? Yet, at the same time, we must ask how it is that the Task Force Report which addressed these very issues failed to accomplish its objectives?

The answer is, in part, that the Task Force failed to foresee the advent of a new economic ice age, the retreat of prosperity and the chilling of optimism in the 1970s. Standing at the watershed of 1969, it was easy enough to look back twenty or thirty years, at Canada's recovery from the Great Depression, at the growth and diversification of industry and industrial employment, at the contentious beginnings — but apparently permanent establishment — of collective bargaining as primary public policy, at the emergence of the labour movement as a social and political presence as well

as an effective economic instrument for its members — in short, at the apparent normalization of relations between the collective bargaining partners.

This is not to claim that labour-management relations in the late 1960s were then perceived as idyllic, as incapable of further evolution or improvement. Of course they were not: that is why the Task Force was appointed. But the questions raised about collective bargaining then were relatively modest concerns. Collective bargaining itself was a «given»; its present legitimacy and future survival were not seriously questioned. Rather, the Task Force itself stated that its objective was «to examine the relationship between collective bargaining and many of Canada's other socio-economic-political goals, policies and instruments» with a view to «reconciling» all of these. (135) It concluded its examination, and commenced its recommendations, with the general observation that

We continue to endorse the present industrial relations system in Canada not only because of its virtues ... but because we see no alternative that is compatible with the heritage of western values and institutions... (427)

I have described this view as one which looks backward at Canada's postwar experience rather than forward to the 1970s and 1980s. If we could have looked forward, what would we have seen?

With only a little prescience, I imagine, we might have addressed the difficulties implied by changing demographic and labour force trends: an entire generation of young people entering the labour force through the 1970s, many more of them women than before, confronting social obligations and financial debts of daunting proportions, but unable to anticipate normal patterns of progression from school to work to retirement

Their plight, I suggest, we might have foreseen had we been able to recognize the signs and portents. But who in 1969 could have anticipated that someone would have cried havoc and unleashed the dogs of war, galloping oil prices, inflation, monetarism, unemployment and protectionism? Who could have imagined that in the 1970s and 1980s the pace of capital concentration would quicken in Canada, or that the multinationals would rapidly redeploy their manufacturing operations into selected third world countries? Who could have predicted the rise and fall of Alberta's oil patch, British Columbia's forest products, Ontario's secondary manufacturing sector, and the Atlantic fisheries — with the awful strains that these events imposed upon our political and economic union?

Even if the mandate of the Woods Task Force had been as broad as that of the Macdonald Commission, even if it had more thoroughly explored the socio-political-economic context of our industrial relations system, it could never have begun to plan for these events which, in 1969, lay just over the horizon. But foreseeable or not, these and other largelooming events of the past fifteen years have created — to borrow a phrase — «a new reality» in which all of our assumptions — including the survival of collective bargaining as we know it — are being called into question.

Let me try to describe that new reality as it might appear from the perspective of a hypothetical Task Force assessing the industrial relations

system in 1984 or, let us say, of the Macdonald Commission, as it diagnoses and prescribes for the industrial ills of our time.

To begin with the brutal truth: there is no basic «understanding»; labour is locked out. It is not an effective participant in the political life of the country, plays a social role but fitfully and with limited impact, and exercises adventitious economic power here and there, now and then, but without well-defined purposes or predictable outcomes. «Labour», indeed, lacks even the dignity of definition. It is not a movement, but at best several loose coalitions of largely decentralized unions; it is not a class, but at best a range of occupations which imply no necessary commonality of economic circumstance or interest, cultural or social values; it is not even a predictable condition of life, but (as so many Canadians now know) at best an aspiration to get a job or hold onto one.

The fundamental issue of industrial policy confronting the Macdonald Commission is whether it wants to recognize this new — and brutal — reality and what it proposes to do to revise it.

As to recognition of labour's plight, the Commission has been, and will doubtless again be, reminded that conditions of life for most Canadians, even now, are amongst the most favourable in the world. The Commission will be, and has been, urged (perhaps even by «labour» spokesmen) to improve, but not fundamentally to alter, the existing industrial arrangements which have brought us relative affluence and considerable freedom. But while this will be the general tenor of some submissions, the Commission will also hear many emotionally-charged arguments designed to gain its sympathy or bring down its wrath upon real and supposed abuse in the labour sector.

Forty years after collective bargaining was embraced as a basic policy in Canada, it will be said, many employers remain intransigently opposed to it; some governments will casually trade it away for almost any «greater good»; and the public generally is out of sympathy with its practise and perceived results. On the other hand, it will be said that Canadian workers are more strike-prone and less efficient than those of our major international competitors, and that unionization has overburdened the financial resources of public and private employers alike. Econometric analysis will purport to reveal that minimum wages injure the job prospects of women, minority groups and young people. Ethical philosophers, theologians and close observers of poverty will remind us of our moral duty to the working and non-working poor.

But whatever the intrinsic force of these particular arguments, few of them will help the Commission gain an overall perspective on «labour» and its role in the Canadian economic union. This it cannot do without confronting three issues which, indeed, reappear in almost every area of its mandate.

First, there is the issue of striking a new balance between reliance upon unregulated market mechanisms and extensive planning and interventionism. Labour policy has indeed become more interventionist in recent years: witness the AIB, «6 and 5», the conscious decisions to create

unemployment, reduce inflation and — recently — to sacrifice trade union power to propitiate the gods of investment. But there is no evidence that intervention is planned extensively — or at all. On the contrary, improvisation seems to be the order of the day, and little ongoing effort is made to involve labour (or anyone else) in the development and implementation of long-term public strategies or counterpart activities at the sectoral or corporate level.

Macdonald will neither lay the ghost of Adam Smith, nor commune with Karl Marx. But decisions to alter the mix of spontaneous action and planning, and of private and public decision-making, will affect the labour sector: manpower training and deployment, unemployment insurance and strike statistics are all implicated in this basic issue.

A second issue, made inescapable by the mandate of the Commission, is the difficulty of divorcing economics from the rest of life. The tremors of the labour market, for example, signal possible deep rifts in the social fabric: family life and mental health, educational and cultural attainments, attitudes towards minority groups may all be significantly determined by plant closings, structural unemployment and other consequences of hard-nosed economic policy-making. Decisions to repress labour strife by legal sanctions, in order to improve overall industrial performance, may trespass on fundamental, constitutional rights of equality, association or communication. Even benign social measures, such as the introduction of «equal pay for equal work», which may or may not have macro-economic significance, may produce unexpected consequences as their costs are sought to be offset within the firm or displaced elsewhere. All of this is trite, but these examples underline for the Commission the need for holistic treatment in its deliberations, rather than for the mere aggregation of specialist diagnoses and prescriptions. Economics is too important to be left to economists, law to lawyers, and politics to once and future kings.

Nor, thirdly, can the Macdonald Commission afford to assume that once adopted, even coherent policies will be translated into operational reality. Before leading a horse to water, one must have a horse — and water. The situation of labour — precisely because the term «labour» is so amorphous — illustrates the point. Suppose that the Commission were to recommend the adoption of an industrial strategy, one of whose components was a fundamental «understanding», a social compact amongst government, business and «labour», which promised the latter both a voice in key decisions and a fair share of their consequences. (Such a recommendation is, I believe, both desirable and inevitable.) How would a willing government go about implementing such a recommendation?

Who would government and business «understand» with? Who would negotiate and sign the social compact on behalf of labour? the CLC or provincial labour federations? alone or together with rival, schismatic, and non-affiliated unions? with what binding effect upon the organizations they represent, and upon the locals of those organizations which, under our system, hold bargaining rights and by tradition make autonomous, democratic decisions on contract ratification and strikes? Similar concerns would arise with regard to the ability of «business» to deliver a binding

commitment on behalf of its members, compounded by the difficulty of encouraging inter-firm cooperation on the labour market while outlawing it on the product market. And even government must lift the pen to sign a social contract with either a provincial or federal hand, wield it with an arm whose wrist was under the control of, say, the labour department, its elbow of Finance, and its shoulder of Consumer and Corporate Affairs. all the while harbouring the mental reservations which are the privilege of sovereign legislatures.

Moreover, if «understanding» is to be institutionalized, if «labour» is to have a place in the higher councils of the nation, and if that place brings with it a degree of power to make political and social decisions with economic consequences, there is likely to be a decline in the relative importance (already modest) of local collective bargaining. Such a shift in labour's priorities and in the locus of authority within the ranks of labour would diminish the ability of individual workers and their local unions to participate directly in the processes of industrial government. It is essential therefore that concurrent and compensatory measures be addressed in order to improve both the accountability of central labour representatives to their constituents, and the actual direct participation of those constituents in shop-floor and firm-level decisions about matters which cannot sensibly be resolved elsewhere. Such matters range from work rules to quality control, from investment policies to plant amenities, from health and safety to skills training.

And if these transformations of labour's role in the economy and of «labour» itself are a realistic possibility, we may still have to pause for a moment before entering this Nirvana of «understanding». We would have to ask ourselves whether this incorporation of «labour» into the managerial structures of the state and the plant might in fact leave workers with the worst of both worlds. Should they forfeit the right of defining and pursuing their own interests, without gaining a firm assurance that those interests will be fairly protected, and that their contribution to the general welfare will be matched by the contributions of others?

In this brief recital of the «labour» issues confronting the Macdonald Commission, we can recognize some familiar themes. Above all, it has become clear that as with liberal democratic politics, federalism, or the market system itself, the basic problem is how to reconcile a principled commitment to the autonomy of individual actors with the allure of «understanding», and the logic of planning, integration, and order. If autonomy is accepted as a «given», no strategy proposed by Macdonald is likely to succeed. If «understanding», planning, integration and order are the way to improve Canada's economic performance and brighten her social prospects, these can only be achieved by structural and institutional changes which reduce the autonomy of workers and unions, of businessmen and bankers, of federal and provincial governments and their many emanations. What the Commission must earnestly consider is whether the chicken of institutional change can precede the egg of a commitment to greater social and economic planning or only follow it. In short, it must understand the implications of «understanding».

If we once concede that all «understandings» involving government, labour and management are vulnerable to the impact of external events which we cannot anticipate, control or effectively respond to, if we once concede that the very project of enhanced «understanding» is haunted by unresolved internal contradictions, what is the point of pursuing research in industrial relations?

It is possible to answer that question from several different perspectives. As a scholar, I am tempted to ignore it altogether, on the ground that research needs no such justification. It is enough for archeologists and astronomers, for mathematicians and linguists, that their research reveals what is not known and offers new ways of understanding what is known. Why not also for those of us interested in industrial relations?

As someone also interested in the practical world of human affairs, however, I confess that my answer as a scholar will not be universally acceptable. At a minimum, I can imagine that a politician here or a bureaucrat there or a partisan labour or business official somewhere else might be very impatient with research in industrial relations which seemed neither to promise nor to produce any practical benefit. I would have, indeed, to confess that, with hindsight, the research undertaken by the Task Force might be regarded in this light. After all, the Task Force probably generated more research than could be found in all the journals, thesis abstracts and government studies written since MacKenzie King was a pup (my language is vernacular, not spiritualistic). Yet the ink was hardly dry, the honoraria hardly spent, before the policy prescriptions based upon that research had become anachronistic.

I have already suggested that the failure of research was, in part, an unavoidable failure of foresight. To this extent, it can hardly be faulted. However, I now wish to propose that there may be other difficulties with industrial relations research which sometimes diminish its capacity to help us to «understand».

The first of these difficulties I have already signalled when I referred to my own ambivalent perspective as both a scholar and a person involved in practical affairs. While no doubt a healthy tension can, and should, exist between theory and practice, I do point out that when both inhabit the same human mind — mine, for example — there are special risks which must be guarded against. Essentially, these involve the dominance of practice over theory. What we experience in our daily lives, what we «know» by doing, becomes the paradigm, the deep structure, within which research is conducted. We too easily accept as inevitable, almost as a decree of nature, the continuation of present policies and institutions and values, imagining only that they are capable of evolution or marginal decline. We too diffidently question and too seldom reconceptualize the very essence of our industrial relations system. Certainly the Woods Report and most of its supporting studies — judged as research — suffer from a failure to reach beyond the conventional wisdom.

A second difficulty, linked to the first, involves such mundane issues as time and money. Many industrial relations researchers are in frequent demand to serve as policy advisers, administrators and fixers — arbitrators



and mediators — in the world of labour and management. The rhythm of their research is therefore often quickened or broken by some new assignment; it seldom has an opportunity to build slowly and to mature fully.

Moreover, much of the most ambitious and serious research in the field is commissioned research. Quite naturally, the commissioning body determines the orientation, budgets, timing and principal personnel and most important, the very subject to be studied. Despite the best intentions of research directors, the dominance of commissioned research in industrial relations does skew research priorities. It means that the abilities of some of our most able scholars are devoted at any given moment not to the problems which they believe most urgent, because they open up new lines of intellectual development, but to the problems which someone else deems most pressing from a public policy perspective.

Indeed, so pressing is the demand for public policy research from time to time — during the Woods and Macdonald efforts, for example — that it mobilizes many people into vast expeditionary forces of researchers whose primary qualifications are neither knowledge, nor interest — but only availability. Their presence further dilutes the quality of industrial relations research.

The difficulty of focussing the attention of the best minds upon the most fundamental problems over an appropriate period of concentration is a not uncommon one; it certainly haunts other disciplines — including my own. But industrial relations suffers from one special difficulty which is not universally experienced. Industrial relations is, as I earlier suggested, the interdisciplinary, *par excellence*. There is no social science of which I am aware which cannot help us to «understand» industrial relations. Nor can we fail to appreciate the possible contributions of humanistic, scientific and technical studies. But genuine collaboration and cross-disciplinary research are notoriously difficult. They will rarely achieve the highest standards when those involved pursue such activities only fitfully and for short-run ends.

Ironically, then, the disappointed hopes of the Woods Report for the stimulation of research reflect the very circumstances under which research was conducted by the Task Force. Those circumstances persist today, I believe, and will haunt the work of Macdonald to promote «understanding».

What remains for me is to offer only a few brief observations in aid of understanding the links between the two types of «understanding» I have identified.

The empirically unverified assumption of our industrial relations system is that if we create appropriate formal conditions, workers will exercise their right to organize, form unions and use sensibly their collective strength as a countervailing force to that historically possessed by employers; that employers in turn will come to internalize the statutorily-imposed values of a good faith relationship with their workers; and that all of them and all of us will live happily ever after. The largely unresearched reality is that none of these assumptions have been fully justified, and that

collective bargaining as a system has yet to demonstrate its capacity to cope with change or crisis.

The implicit premises of industrial relations research are likewise at odds with reality. We assume that research can do things for us — interpret the past, administer the present, transform the future — but the conditions in which we often pursue research are poorly designed for such tasks, and hardly evince respect for scholarship for its own sake.

I should like to propose that these two phenomena are indeed related. So long as the interests of labour, management and government (and of each of their constituent elements) are seen to diverge and conflict, no amount of research will promote «understanding» amongst them. On the contrary, research is at best a threatening enterprise whose «scientific» revelations may embarrass or indict, at worst a sinister and cynical device deliberately employed to belabour one's enemies. Given the socio-political-economic context within which much research is conducted, one should hardly wonder at the hostility exhibited by leading labour and management spokesmen towards intellectuals and theoreticians, either practising their own trade or pursuing some part-time role in policy-making, administration or dispute resolution. Nor should we be surprised by government's philandering attitude towards the research community, whose favour it courts intermittently and for its own purposes, while exhibiting often a certain lack of basic respect.

The consciousness, as well as the behaviour, of researchers is in part determined by this context, and they have difficulty in pursuing their own objectives according to their own lights. Much research is devoted to recording and evaluating the existing system; much scholarly energy is dissipated in texts for practitioners and students and in practical, but ephemeral, work. And finally, such fundamental intellectual work as is undertaken tends to be treated trivially by its suspicious and partisan audience.

If this diagnosis has any merit, then I am afraid that «understanding» in the scientific sense is not likely to improve until one of two things happen: either fundamental tensions are eased in the world of work, so that industrial relations research can be treated less opportunistically and with greater respect, or research begins more clearly to define its own context and integrity outside of the practical realm of Task Forces and Royal Commissions. Thus, I am afraid that industrial relations research, as we now know it, has at best limited capacity to promote «understanding» amongst the interested parties.

My reluctant conclusion is, therefore, that «understanding» and «understanding», practise and research, politics and science, had best exist at arm's length for a while, until each acquires the maturity to participate in a more intimate and fulfilling relationship.